May 1, 2012

Colleen P. Mahoney, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005-2111

Re: In the Matter of UBS Financial Services Inc. of Puerto Rico
Release No. 33-9318
Waiver Request under Regulation A and Rule 505 of Regulation D

Dear Ms. Mahoney:

This responds to your letter dated today, written on behalf of UBS Financial Services Inc. of Puerto Rico ("UBS PR"), and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 (the "Securities Act").

You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 that may have arisen as a result of entry of an order today by the Securities and Exchange Commission in In the Matter of UBS Financial Services Inc. of Puerto Rico, Release No. 33-9318 (the "Order"). The Order, among other things, requires UBS PR to pay disgorgement of $11,500,000.00, prejudgment interest of $1,109,739.94, and a civil money penalty of $14,000,000.00 pursuant to Section 8A of the Securities Act and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (the "Securities Exchange Act"). In addition, the Order requires UBS PR to comply with certain of its own undertakings in the Order that require action over a minimum of three years after issuance of the initial report of the consultant called for in the undertakings. Inclusion of these remedies in the Order may be interpreted to result in disqualifications under Rule 262 and Rule 505 insofar as they result in UBS PR’s being subject to an order under Section 15(b) of the Securities Exchange Act.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Order. We also have assumed that UBS PR will comply with the Order.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505 that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 as a result of entry of the Order. Accordingly, pursuant to delegated authority, on behalf of the Division of Corporation Finance, and without necessarily agreeing that any such disqualifications arose as a result of the entry of the Order, relief is granted from any disqualifications from exemptions otherwise available under Regulation A and Rule 505 that arose as a result of entry of the Order.

Very truly yours,

[Signature]

Gerald J. Laporte
Chief, Office of Small Business Policy
BY EMAIL AND FEDERAL EXPRESS

Gerald J. Laporte, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: In the Matter of UBS Financial Services Inc. of Puerto Rico,

Dear Mr. Laporte:

On behalf of UBS Financial Services Inc. of Puerto Rico ("UBS PR"), the settling respondent in the above-referenced administrative proceeding, and its affiliates, we hereby request, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D of the Securities and Exchange Commission (the "Commission") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), a waiver of disqualification from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to UBS PR or any of its affiliated entities as a result of the entry of an order by the Commission in the above-referenced matter ("Order"). It is our understanding that the Division of Enforcement does not object to the grant of the requested waiver.

UBS PR and the Staff of the Commission recently engaged in settlement discussions with respect to the above-referenced administrative proceeding. As a result of these discussions, UBS PR submitted an executed Offer of Settlement (the "Offer") that was presented to the Commission.
In the Offer, solely for the purpose of proceedings brought by or on behalf of the Commission or in which the Commission is a party, UBS PR agreed to consent to the entry of the Order, without admitting or denying the findings contained therein (other than those relating to the jurisdiction of the Commission, which are admitted). The Order concerns the secondary market for certain closed-end mutual funds (the “Funds”) that were offered and sold by UBS PR. In the Order the Commission found that UBS PR made misrepresentations and omissions to investors involving secondary market prices and liquidity concerning 23 affiliated, non-exchange-traded closed-end funds in Puerto Rico.

Based on these findings, the Commission in its Order censured UBS Financial Services Inc. of Puerto Rico and required it to cease and desist from committing or causing any violations and any future violations of Sections 17(a) of the Securities Act, Section 10(b) and Section 15(c) of the Securities Exchange Act of 1934, and Rules 10b-5 and 15c-1 thereunder, and to pay $11,500,000.00 in disgorgement, $1.1 million in prejudgment interest and a $14,000,000.00 civil penalty. UBS PR also consented to certain undertakings, including a review by an independent consultant of UBS PR’s disclosures and trading and pricing policies relating to the Funds, implementation of the independent consultant’s recommendations, and annual follow-up reviews of the implementation for a period of three years. UBS PR also agreed to cooperate in the continuing investigation and any related litigation.

No other UBS entity is a party to the proceeding.

**Disqualification Provisions of Securities Act Regulations A and D**

We understand that the Commission’s position may be that the entry of the Order may disqualify UBS PR, its affiliated entities, or other issuers with which it is associated from certain exemptions under Regulation A and Rule 505 of Regulation D promulgated under the Securities Act, insofar as the Order may be deemed to cause UBS PR to be subject to an order of the Commission pursuant to Section 15(b) of the Exchange Act. The Commission has the authority to waive these exemption disqualifications upon a showing of good cause that it is not necessary under the circumstances that the exemptions be denied. See 17 C.F.R. §§ 230.262 and 230.505(b)(2)(iii)(C).\(^1\)

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\(^1\) We note in support of this request that the Commission has in other instances granted relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D. See, Wachovia Bank, N.A., n/k/a Wells Fargo Bank, N.A., SEC No-Action Letter (pub. avail. December 9, 2011); UBS Financial Services Inc., SEC No-Action Letter (pub. (cont’d)
Grounds on Which Waiver Should be Granted

UBS PR hereby applies for a waiver of the exemption disqualifications under Regulations A and D, as of the effective date of the Order, on the following grounds:

1. UBS PR’s conduct addressed in the Order does not pertain to offering activities under Regulation A or D.

2. In the settlement, UBS PR consented to certain undertakings, including a review by an independent consultant of UBS PR’s disclosures and trading and pricing policies relating to the Funds, implementation of the independent consultant’s recommendations, and annual follow-up reviews of the implementation for a period of three years. These undertakings are designed to ensure compliance with the regulatory requirements that are the subject of the Order.

3. The disqualification of UBS PR, its affiliated entities, or other issuers with which it is associated from the exemptions under Regulations A and D would be unduly and disproportionately severe given the nature of the violations to be addressed in the Order and the extent to which disqualification may affect the business operations of UBS PR, its affiliated entities, or other issuers with which it is associated by impairing their ability to issue securities pursuant to these exemptions to raise new capital or for other purposes. In addition, the disqualification of UBS PR, its affiliated entities, or other issuers with which UBS PR is associated from the regulatory exemptions may place these entities at a competitive disadvantage with respect to third parties that might seek to invest in securities that rely on the regulatory exemptions.

4. UBS PR has a strong record of compliance with securities laws. Furthermore, UBS PR cooperated with the inquiry into this matter by the Division of Enforcement.

(cont’d from previous page)

In light of the foregoing, we believe that disqualification is not necessary, in the public interest, or for the protection of investors, and that UBS PR has shown good cause that relief should be granted. Accordingly, we respectfully urge the Commission to waive as of the effective date of the Order the disqualification provisions in Regulations A and D to the extent they may be applicable to UBS PR, its affiliated entities, or other issuers with which it is associated as a result of the entry of the Order.

If you have any questions regarding this request, please contact me at (202) 371-7900.

Very truly yours,

Colleen P. Mahoney

cc: Eric I. Bustillo, Esq.
    Regional Director, SEC Miami Regional Office
    Glenn S. Gordon, Esq.
    Associate Regional Director, Miami Regional Office
    Jason R. Berkowitz, Esq.
    Assistant Regional Director, Miami Regional Office